

Carl Moyer Memorial Air Quality Standards Attainment Program

AUDIT REPORT

Feather River Air Quality Management District Fiscal Years 2005/2006 – 2007/2008

**Prepared by: Mobile Source Control Division
Air Resources Board
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Introduction

As part of the Air Resources Board's (ARB) ongoing review of the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program or CMP), ARB staff audited the Feather River Air Quality Management District (Feather River AQMD or District). The audit began in May 2009 with an entrance interview conducted on May 13, 2009, and was conducted in accordance with the "Audit Process for Rural Districts" in ARB's Audit Policies and Procedures. These procedures are viewable at ARB's website: <http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>. The Audit reviewed program fundamentals; examined the use of public funds; and assessed whether emission reductions were real, quantifiable, and surplus. ARB conducted this review of the District's Carl Moyer Program as part of its oversight responsibility specified in Health and Safety Code section 44291(d). The exit interview, reviewing the audit findings was held on July 7, 2009.

1. Overall Assessment

ARB found that the Carl Moyer Program, as implemented by the Feather River AQMD, is achieving the expected emission reductions and is generally in compliance with State requirements. In the audit's one finding, the district is missing documentation as to why a retrofit was not installed on an off-road repower project. In the course of the audit, the District mitigated the finding (see Table 4 below).

2. Scope of the Audit: Fiscal Year (FY) 2005/2006 through FY 2007/2008

The scope of the audit covered fiscal years 2005/2006, 2006/2007, and 2007/2008. During this period, the District accepted the Carl Moyer Program's minimum allocations and obtained waivers of the match funding requirement. The District also accepted Carl Moyer Program funds administered through the Rural Assistance Program [CMP(RAP)] funds in FY 2005/2006. Table 1 identifies the funds the District received for project and administration from both the CMP and RAP.

Table 1: Feather River AQMD Programs and Funds

FY	Program	Project	Administration	Total Grant
2005/2006	CMP	\$200,000.00	\$4,630.00	\$204,630.00
2005/2006	CMP(RAP)	\$36,500.00	\$1,360.50	\$37,806.50
2006/2007	CMP	\$180,000.00	\$20,000.00	\$200,000.00
2007/2008	CMP	\$180,000.00	\$20,000.00	\$200,000.00

Note: Interest not included in table

3. Summary of District Projects Funded and Selected for File Review

The District funded projects in two source categories during the scope of this audit, off-road and agricultural pumps. Table 2 lists a summary of the projects funded by the District with CMP, CMP(RAP), or interest funds.

Table 2: Feather River AQMD Carl Moyer Projects

Program	Source Category	FY 2005/2006	FY 2006/2007	FY 2007/2008	Total
CMP	Ag pump	18	17	14	49
	Off-road	1	4	0	5
CMP(RAP)	Ag pump	4	0	0	4
Interest	Ag-Pump	1*	1	0	1
Total		23	22	14	59

*Denotes a project with two funding sources; does not contribute to totals.

Table 3 provides a list of project files reviewed by the audit team. These files were selected to provide a sample of the District's projects. Six projects were selected: four agricultural pumps and two off-road projects. Projects were a mix of both CMP and CMP(RAP) funded projects.

Table 3: List of Projects Reviewed

Project Name	Project Number	Fiscal Year	Funding Source	Source Category
Robinson	2007-08	2006/2007	CMP	Off-Road Construction
Smith-1	2007-03	2006/2007	CMP	Off-Road Agriculture
Tarke-2	2006-02	2005/2006	CMP	Agricultural Pump
DeValentine Rice Field 12	2007-32	2006/2007	CMP	Agricultural Pump
Tarke III	2008-22	2007/2008	CMP	Agricultural Pump
R5-Gallagher	2008-11	2005/2006	CMP(RAP)	Agricultural Pump

4. Findings, Conditions, and Required Actions

Table 4 describes the audit findings, conditions, and required district actions. "Findings" are brief descriptions of the District's practices that are inconsistent with one or more of the following:

- State requirements under Health and Safety Code sections 44275 through 44299.2.
- Carl Moyer Program Guidelines (2003 and 2005 versions) (<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>).
- Carl Moyer Program advisories.
- Grant Award and Authorization requirements.
- Feather River AQMD's written policies and procedures, including its contracts with the engine owners/grant recipients.

"Conditions" are the more detailed descriptions of the District's practices observed by ARB audit staff during the audit. "Required Actions" are the minimum actions the District must take to mitigate the findings.

Table 4: Findings, Conditions, and Required Action

Finding: 1	Missing documentation in a project file	Required Action
Condition	<p>The 2005 Carl Moyer Program Guidelines [Chapter 5, Section V (C)] requires all off-road repowers to install a retrofit if one is available and cost-effective. If a retrofit is not installed, the District must demonstrate one of the following: the device is not available, installation of the device is not feasible, or the cost of the device would place the project over the cost-effectiveness limit. No such documentation was included in the fiscal year 2006/2007 project file (Smith 1, 2007-03)</p>	<p>During the course of the audit, the District provided a quote from a retrofit manufacturer that showed that the installation of a retrofit for this project would have placed the project over the cost-effectiveness limit. The District must include this documentation in the project file to mitigate the finding.</p> <p>The District should include a procedure in their Policy and Procedures Manual for determining and documenting retrofit installation evaluations for projects.</p>

5. Resources

1. Air Resources Board Carl Moyer Program Website
<http://www.arb.ca.gov/msprog/moyer/moyer.htm>
2. Air Resources Board Incentives Oversight Audit Website
(Includes previous reports and Audit Policies and Procedures)
<http://www.arb.ca.gov/msprog/moyer/audits/audits.htm>